

REFERENCE TITLE: **education; budget reconciliation**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

## **HB 2746**

Introduced by  
Representatives Lopez L, Aguirre A, Burton Cahill, Cajero Bedford,  
Gallardo, Garcia M, Lujan: Bradley, Brown, Downing, Miranda B, Rios P, Tom

### AN ACT

AMENDING SECTIONS 15-1642 AND 42-5252, ARIZONA REVISED STATUTES; MAKING APPROPRIATIONS; RELATING TO EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 15-1642, Arizona Revised Statutes, is amended to  
3 read:

4           15-1642. Financial aid trust fund; aid to students with  
5           verifiable financial need; endowment

6       A. The Arizona board of regents may establish a financial aid trust  
7 fund for the purposes of providing immediate aid to students with verifiable  
8 financial need, including students who are underrepresented in the population  
9 of university students or who by virtue of their special circumstances  
10 present unique needs for financial aid, and creating an endowment for future  
11 financial aid. Subject to the limitations provided in subsection B, paragraph  
12 3, the board may assess a surcharge upon registration fees paid by students  
13 for deposit in the fund.

14       B. The board shall adopt rules to govern the financial aid trust fund,  
15 including the following:

16           1. ~~Fifty~~ TWENTY-FIVE per cent of the monies received each year shall  
17 be placed in the trust fund as a permanent endowment. The remaining monies  
18 received shall be used for immediate aid for students with verifiable  
19 financial need. At least fifty per cent of the immediate aid monies shall be  
20 used for grant aid.

21           2. The immediate aid monies shall be distributed to the universities  
22 on a pro rata basis based on relative student contributions to the fund.

23           3. The surcharge on student registration shall not exceed one per cent  
24 of the registration fee for students taking more than six credit surcharge  
25 hours. The surcharge hours for students taking fewer than seven credit hours  
26 shall equal one-half the surcharge assessed students taking more than six  
27 credit hours.

28           C. ~~Monies~~ EACH DOLLAR raised pursuant to the surcharge on student  
29 registration shall be matched by ~~monies~~ TWO DOLLARS appropriated by the  
30 legislature.

31           D. The board shall report every three years to the legislature on the  
32 status of the financial aid trust fund. The report shall include the use to  
33 which the monies have been put and the impact of such use.

34           E. Fund monies shall only be used in university assistance programs  
35 approved by the board and such monies shall be in addition to, and not in  
36 replacement of, existing state or institutional financial aid  
37 monies. Assistance may be provided to full-time or part-time  
38 students. Monies appropriated by this state shall not be used to provide  
39 assistance to students who are not residents of this state.

40       Sec. 2. Section 42-5252, Arizona Revised Statutes, is amended to read:

41           42-5252. Levy of tax

42           A. A tax is levied on every provider in an amount as follows:

43           1. For the fiscal years beginning from and after June 30, 2001 and  
44 ending before July 1, 2006, thirty-seven cents per month for each activated

1 wire and wireless service account for the purpose of financing emergency  
2 telecommunication services.

3 2. For fiscal year 2006-2007, twenty-eight cents per month for each  
4 activated wire and wireless service account for the purpose of financing  
5 emergency telecommunication services.

6 3. For the fiscal years beginning from and after June 30, 2007, twenty  
7 cents per month for each activated wire and wireless service account for the  
8 purpose of financing emergency telecommunication services.

9 4. 0.68 per cent of the provider's gross proceeds of sales or gross  
10 income derived from the business of providing exchange access services for  
11 the purpose of financing telecommunication devices for the deaf and the  
12 severely hearing and speech impaired under the program established pursuant  
13 to section 36-1947.

14 5. ~~0.25~~ 0.33 per cent of the provider's gross proceeds of sales or  
15 gross income derived from the business of providing exchange access services  
16 for the purpose of financing the Arizona poison control system. These monies  
17 shall be deposited in the poison control fund administered by the department  
18 of health services and are subject to legislative appropriation.

19 6. ~~0.16 per cent of the provider's gross proceeds of sales or gross  
20 income derived from the business of providing exchange access services for  
21 the purpose of financing the operating expenses of the Arizona state schools  
22 for the deaf and the blind pursuant to section 15-1306.~~

23 6. 0.08 PER CENT OF THE PROVIDER'S GROSS PROCEEDS OF SALES OR GROSS  
24 INCOME DERIVED FROM THE BUSINESS OF PROVIDING EXCHANGE ACCESS SERVICES TO THE  
25 COMMISSION FOR THE DEAF AND HARD OF HEARING.

26 7. 0.01 per cent of the provider's gross proceeds of sales or gross  
27 income derived from the business of providing exchange access services for  
28 the purpose of financing the teratogen information program at the university  
29 of Arizona. These monies shall be deposited in the teratogen information  
30 program fund administered by the university of Arizona health sciences  
31 center.

32 B. Each provider shall state on the invoice to customers a separate  
33 line item stating the amount of tax levied pursuant to subsection A of this  
34 section.

35 C. Unless the context otherwise requires, article 1 of this chapter  
36 governs the administration of the tax imposed under this section.

37 Sec. 3. Reduction in school district state aid apportionment;  
38 fiscal year 2006-2007

39 A. Notwithstanding section 15-973, subsection B, paragraph 10, Arizona  
40 Revised Statutes, the state board of education shall defer until July 1, 2007  
41 \$95,500,000 of the basic state aid and additional state aid payment that  
42 otherwise would be apportioned to school districts under that law on June 15,  
43 2007.

44 B. The funding deferral required by this section does not apply to  
45 charter schools.

1           Sec. 4. Appropriations: school districts: disbursements

2       A. The sum of \$95,500,000 is appropriated in fiscal year 2007-2008  
3 from the state general fund to the state board of education and  
4 superintendent of public instruction for basic state aid and additional state  
5 aid entitlement for fiscal year 2007-2008. This appropriation shall be  
6 disbursed on July 1, 2007 to the several counties for the school districts in  
7 each county in amounts equal to the reductions in apportionment of basic  
8 state aid and additional state aid that are required pursuant to section 3 of  
9 this act for fiscal year 2006-2007.

10     B. The sum of \$\_\_\_\_\_ is appropriated in fiscal year 2007-2008 from  
11 the state general fund to the state board of education and the superintendent  
12 of public instruction for any costs to school districts that may be  
13 associated with the reductions in apportionment of basic state aid and  
14 additional state aid for fiscal year 2006-2007 that are required pursuant to  
15 section 3 of this act. This appropriation shall be disbursed on July 1, 2007  
16 to the several counties for the school districts in each county and shall be  
17 allocated based on the per cent of the total \$95,500,000 deferred payment for  
18 fiscal year 2006-2007 that is attributable to each individual school  
19 district.

20     C. Notwithstanding any provision of law, for fiscal year 2007-2008, if  
21 the governing board of a school district incurred interest expenses for  
22 registering warrants in fiscal year 2006-2007 pursuant to section 3 of this  
23 act, the governing board may budget an estimated amount for those interest  
24 expenses. Any such amount is specifically exempt from the revenue control  
25 limit in fiscal year 2007-2008. If the budgeted estimate amount is greater  
26 than the amount received pursuant to subsection B of this section, the  
27 governing board shall not expend more than the amount received pursuant to  
28 subsection B of this section. If the budgeted estimate amount is less than  
29 the amount received pursuant to subsection B of this section, the governing  
30 board may revise its budget during fiscal year 2007-2008 to include the  
31 actual amount received pursuant to subsection B of this section and shall not  
32 expend more than the amount received pursuant to subsection B of this  
33 section.

34           Sec. 5. Desegregation budget; limit

35     Notwithstanding section 15-910, Arizona Revised Statutes, the maximum  
36 amount that a school district may budget for desegregation activities for  
37 fiscal year 2006-2007 shall be computed as follows:

38      1. Determine the amount that the district budgeted for desegregation  
39 activities for fiscal year 2004-2005 pursuant to Laws 2004, chapter 278,  
40 section 16.

41      2. Compute the percentage increase in average daily membership for the  
42 district, as defined in section 15-901, Arizona Revised Statutes, for the  
43 2004-2005 school year above the 2003-2004 school year. If average daily  
44 membership for the district decreased for the 2004-2005 school year below the  
45 2003-2004 school year, assume a per cent increase of zero.

1           3. Multiply the amount determined in paragraph 1 of this section by  
2 the percentage determined in paragraph 2 of this section.

3           4. Multiply the amount determined in paragraph 1 of this section by  
4 two per cent for assumed inflation.

5           5. Add the amounts determined in paragraphs 1, 3 and 4 of this  
6 section.